Message Text

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P 241907Z JUL 78 FM SECSTATE WASHDC TO AMEMBASSY BANGUI PRIORITY AMEMBASSY YAOUNDE

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E.O. 11652: GDS

TAGS:EAID, EINV, CT

SUBJECT: CONVERSATION WITH IMPERIAL ADVISOR DARLAN

- 1. CAE DESK OFFICER GRIBBIN MET WITH IMPERIAL ECONOMIC ADVISOR GUY DARLAN JULY 20 PRIOR TO HIS DEPARTURE FROM WASHINGTON. DARLAN HAS BEEN CONSULTING WITH A SALT LAKE CITY FIRM, TRANS-OCEANIC DEVELOPMENT CORPORATION (TODC) REGARDING POSSIBLE PARTICIPATION IN PUBLIC WORKS, TRANS-PORTATION AND PUBLIC HEALTH PROJECTS. THROUGH SENATOR MOSS OF UTAH, TRANS-OCEANIC PRESIDENT LAMBERT (WHO RECENTLY VISITED BANGUI AND MET WITH THE EMPEROR) ARRANGED A CALL ON VICE PRESIDENT MONDALE. (COMMENT: DEPARTMENT ATTEMPTING TO OBTAIN READOUT ON 20-MINUTE MEETING WHICH WILL BE SUBJECT SEPTEL.)
- 2. DARLAN EXPLAINED THAT TODC HAD AGREED TO SEARCH FOR FINANCING FOR THE CONSTRUCTION OF A SUITABLE CEMENT FACTORY AT FATIMA IN BANGUI. SOME PROGRESS HAD BEEN MADE IN THIS CONFIDENTIAL

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REGARD AS PARTICIPANTS WERE BEING LINED UP. THE GOCAE WOULD NOT PROVIDE EQUITY FOR THE COMPANY, BUT WOULD PARTICIPATE THROUGH ROYALTIES. (COMMENT: THE CEMENT PROJECT HAS BEEN STUDIED FOR YEARS. UNDP HAS ASSAYED THE CALCIUM DEPOSIT AND AN AUSTRIAN FIRM EVEN IMPORTED THE NECESSARY FACTORY EQUIPMENT WHICH REMAINS IN STORAGE IN BANGUI.)

SIMILARLY, AT THE GOCAE'S REQUEST TODC IS SEARCHING FOR FUNDS FOR THE PURCHASE OF ASPHALT MANUFACTURING EQUIPMENT WHICH WILL BE USED TO ASPHALT THE SIBUT/BAMBARI ROAD. DARLAN ACKNOWLEDGED THAT TODC HAD SUGGESTED THE PROVISION OF MOBILE HEALTH CLINIC UNITS WHICH WOULD BE MANNED BY MORMAN MEDICAL MISSIONARIES. HE NOTED THAT THIS HUMANITARIAN PROJECT WAS WORTHY OF USG CONSIDERATION. DARLAN STATED THAT VICE PRESIDENT MONDALE HAD NOT BEEN FORTHCOMING WHEN TRANSPORTATION WAS DISCUSSED.

3. GRIBBIN DISCUSSED CONGRESSIONAL CONSTRAINTS ON AID INFRASTRUCTURE PROGRAMMING. THIS LED TO FRANK EXCHANGE CON-CERNING PROBLEMS OF AID APPROPRIATION BILL CURRENTLY BEFORE THE CONGRESS AND SOME EXPLANATION OF THE DOMESTIC POLITICS INVOLVED. GRIBBIN REVIEWED CURRENT STATUS OF AID PROGRAMS IN CAE, REMINDING DARLAN THAT NO NEW FUNDS HAD BEEN RE-QUESTED IN FY 78 AND FY 79 FOR THE CAE, BUT THAT PLANS WERE UNDERWAY WITHIN THE USG TO REQUEST ADDITIONAL AID FUNDS IN FY 80. HOWEVER, CONGRESSIONAL APPROVAL OF SUCH A REOUEST WAS NOT ASSURED GIVEN THE CONGRESS' CURRENT MOOD. GRIBBIN NOTED THAT BECAUSE OF POOR PUBLIC IMAGE CAE WAS EASY TARGET FOR ADMINISTRATION'S AID CRITICS AND THAT AN ATTEMPT TO AMEND THE LEGISLATION TO PROHIBIT ASSISTANCE TO THE CAE WAS POSSIBLE. IN THIS CONTEXT HE RECOUNTED RE-CENT YOUNG AMENDMENT TO PROHIBIT PEACE CORPS ACTIVITIES, BUT NOTED THAT AMENDMENT HAD BEEN DEFEATED. GRIBBIN EX-CONFIDENTIAL.

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PRESSED HOPE THAT SHOULD ANOTHER EXCLUSION AMENDMENT BE PROPOSED THAT IT WOULD ALSO BE DEFEATED.

- 4. DARLAN EXPRESSED HIS DISMAY WITH THE PUBLIC IMAGE OF THE CAE IN THE US. HE NOTED THAT ONE-SIDED PERSPECTIVE SUCH AS TIME MAGAZINE'S COVERAGE OF THE CORONATION WAS NOT ACCURATE OR CONDUCIVE TO THE EASY MAINTENANCE OF BILATERAL RELATIONS. HE ADDED THAT THE GOCAE RECOGNIZED THAT IT COULD NOT COUNTERACT THIS TYPE OF NEGATIVE PUBLICITY; RATHER, THE GOCAE PREFERRED TO OPEN CONTACTS ON A PERSONAL AND LOCAL LEVEL WITH AMERICANS SUCH AS THOSE INVOLVED IN TODC TRUSTING IN A SPREAD EFFECT FROM THEM. DARLAN NOTED PARENTHETICALLY THAT SOME RETURNED PCVS HAD TAKEN ISSUE WITH US PRESS TREATMENT OF THE CORONATION AND COPIES OF THEIR LETTERS HAD BEEN FORWARDED TO BANGUI (COMMENT: PRESUMABLY THE REFERENCE IS TO FORMER PCD KIMMIMS' JANUARY 78 LETTER TO THE BOSTON GLOBE).
- 5. QUESTIONED ON THE STATUS OF THE EXIM RESCHEDULING AGREEMENT, DARLAN STATED THAT GOCAE HAD AGREED IN PRINCIPLE TO THE AGREEMENT AND WAS AWAITING A FRENCH TRANSLATION.

HE WAS ADVISED THAT THE TRANSLATION HAD BEEN SENT TO THE EMBASSY IN BANGUI LAST WEEK. DARLAN MENTIONED THAT GT&E'S ITALIAN PARTNERS HAD RECENTLY BEEN IN BANGUI TO DISCUSS MODIFICATION OF THE TERMS OF THEIR PORTION OF THE AGREEMENT; DISCUSSIONS THAT ARE NOT YET COMPLETE. HE ADDED THAT GOCAE FELT LITTLE INCENTIVE TO PROMPTLY PAY UP BECAUSE ORIGINALLY THE LOAN WAS TO BE PAID FROM THE PROCEEDS OF THE PTT; SINCE THE SYSTEM WAS NOT YET IN FULL OPERATION, THE GOCAE DID NOT FEEL IT SHOULD BE PENALIZED FOR CIRCUMSTANCES BEYOND ITS CONTROL. GRIBBIN NOTED THAT BOTH SIDES MUST SHARE THE BLAME FOR THE DELAYED COMPLETION OF THE PROJECT. DARLAN IS WELL AWARE THAT FUTURE EXIM CONSIDERATION REQUIRES THAT THE GOCAE BECOME CURRENT ON EXISTING OBLIGATIONS AND ESTABLISH A REGULAR PAYMENT RECORD. CONFIDENTIAL

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6. COMMENT: DARLAN PROBABLY UNDERSTANDS THE AMERICAN SYSTEM BETTER THAN ANY OTHER CENTRAL AFRICAN AND IS WELL PLACED TO ADVISE THE EMPEROR OF US REALITIES. DARLAN TOOK BRIEF NOTES AND PRESUMABLY WILL SHARE HIS VIEWS ON THIS DISCUSSION UPON HIS RETURN TO BANGUI. VANCE

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